



September 30, 2010

VIA E-MAIL AND OVERNIGHT DELIVERY SERVICE

Mr. J.T. Warner
Making Home Affordable—Compliance
8000 Jones Branch Drive, Mailstop C37
McLean VA 22102

Re: Cover Letter to Making Home Affordable Initial Certification by Home Loan Services, Inc.

Dear Mr. Warner:

Home Loan Services, Inc. ("HLS" or "Servicer") has been committed to providing solutions for distressed homeowners, through both the Home Affordable Modification Program ("HAMP") and our own proprietary programs. When a homeowner is found to be ineligible for a HAMP modification, we pursue other foreclosure prevention solutions, including other types of modifications, short sales and deeds in lieu of foreclosure under the Home Affordable Foreclosure Alternatives program ("HAFA") and similar programs. We constantly evaluate our processes and procedures to improve efficiency and effectiveness in all aspects of our business, including customer service.

This letter (including the attached Exhibit A, collectively referred to as the "Cover Letter") accompanies the Initial Certification (the "Certification") by Home Loan Services, Inc. (also referred to as "HLS" or "Servicer") that is required pursuant to Section 1.C. of the Commitment to Purchase Financial Instrument and Servicer Participation Agreement (the "SPA"), effective as of April 17, 2009, made by and between the Federal National Mortgage Association ("Fannie Mae"), acting as financial agent of the United States, and HLS, as such Certification was amended and restated by Supplemental Directive (SD) 10-06, dated June 29, 2010. All terms used but not defined in this Cover Letter shall have the meanings ascribed to them in the SPA and related Supplemental Directives. This document contains confidential commercial or financial information of HLS and is exempt from public disclosure under the Freedom of Information Act, 5 U.S.C. sections 552(b)(4) and (b)(8).

Pursuant to SD 10-06 and the first paragraph of the Certification, HLS is making the enclosed Certification as of June 30, 2010 (also referred to as the "Certification Effective Date"), notwithstanding any language in the body of the Certification that may refer to prior time periods. Accordingly, this Cover Letter and the Certification do not address compliance issues that were remediated on or before June 30, 2010. In addition, this Cover Letter and the Certification do not address compliance issues where, as of June 30, 2010, the process was remediated even though we may still be remediating prior instances of those compliance issues. We will continue to work on these latter remediation issues with the Federal Home Loan Mortgage Corporation, acting as compliance agent of the United States ("MHA-C").

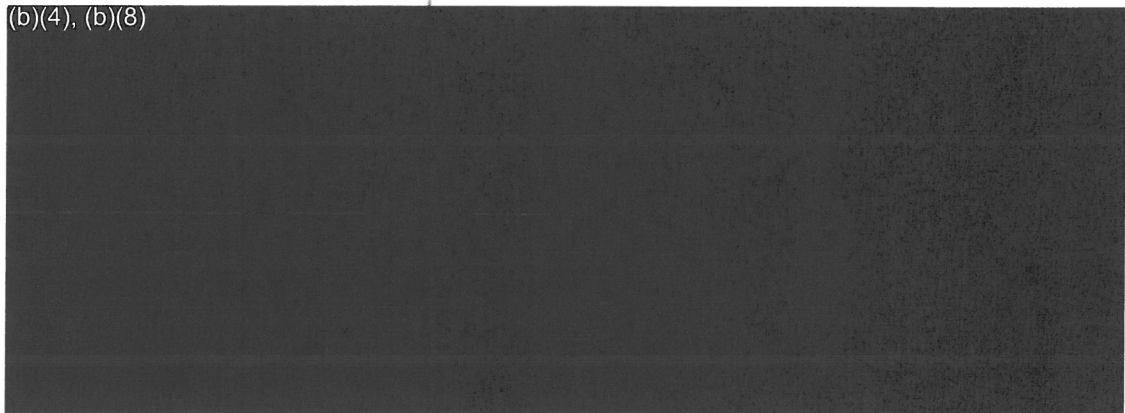
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Loan Services
P.O. Box 1838
Pittsburgh, PA 15230-1838

Home Loan Services
a subsidiary of Bank of America, N.A.

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(b)(4), (b)(8)



Furthermore, to avoid duplication, this Cover Letter incorporates by reference (and does not repeat in this Cover Letter) any compliance and related issues addressed in any written compliance assessment by MHA-C or in HLS's responses or supplemental responses to any of those assessments.³ As noted above, HLS will continue to work in close cooperation with MHA-C on resolving those matters. Exhibit A also includes Certification Exceptions that we previously have discussed with MHA-C, Fannie Mae, or the Department of the Treasury but are not in MHA-C's written assessments. We continue to work toward resolving these items as well.

The items in this Cover Letter are presented in accordance with HLS's commitment to transparency. As a result, to the best of its knowledge, the items set forth in this Cover Letter represent exceptions to the Certification based on HLS's assessment of quantitative and qualitative standards. Such standards include nature and frequency of the exceptions in complying with program guidelines and applicable law, as well as impact on Program goals and objectives and resulting impact to customers and third parties. The inclusion of an issue in this Cover Letter, however, does not necessarily mean that such issue represents an instance of material noncompliance.

Any Subsequent Certification by HLS will be incorporated into the Subsequent Certification submitted by BACHLS as a result of the Merger. BACHLS has elected that any Subsequent Certification shall have an effective date on the anniversary of the effective date of this Certification.

HLS is committed to effectively implementing all the programs covered by its SPA and to securing and applying the resources necessary to ensure that our mortgage loan customers

(b)(4), (b)(8)



³ The written assessments from MHA-C include but are not limited to the September 8, 2010 MHA-C Audit Report for HLS.

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receive every reasonable opportunity to maintain homeownership and avoid foreclosure.
Please contact me at 412-918-7617 if you would like to discuss any of these items.

Respectfully submitted,



Nanette Stevens
Managing Director

cc: Barbara Desoer
Stephen Troutner
Michael Malloy

Enclosures

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